

## Message Text

LIMITED OFFICIAL USE

PAGE 01 LIMA 06146 130313Z  
ACTION ARA-14

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00  
COME-00 DODE-00 EB-08 DOE-15 H-01 INR-10 INT-05  
L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-11 OES-09  
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 NRC-05 /137 W  
-----117459 140335Z /21

R 121601Z JUL 78  
FM AMEMBASSY LIMA  
TO SECSTATE WASHDC 911

LIMITED OFFICIAL USE LIMA 6146

E.O. 11652: N/A  
TAGS: EINV ENRG PE  
SUBJ: GULF: DECREE LAW STILL IN DRAFTING STAGE

REF: LIMA 4992

1. ACTING CHIEF ECON/COMM SECTION HAS BEEN MAINTAINING ALMOST DAILY CONTACT WITH ENERGY AND MINES VICE MINISTER SAETTONE AND GULF LAWYER FERRERO REGARDING GULF'S EFFORTS TO RESCIND THAT PORTION OF 1975 EXPROPRIATORY DECREE LAW THAT PROHIBITS GULF OPERATIONS IN PERU. BOTH SAETTONE AND FERRERO REPORT THAT SEVERAL DRAFT DECREE LAWS HAVE ADVANCED FROM ENERGY AND MINES MINISTRY TO PRESIDENT'S ADVISORY COUNCIL (COAP) ONLY TO BE RETURNED TO MINISTRY FOR REDRAFTING.

APPARENTLY COAP HAS COLD FEET IN SENDING ON TO COUNCIL OF MINISTERS FOR ADOPTION A DECREE LAW WHICH HAS SOLE PURPOSE OF RESCINDING PROHIBITION OF 1975 DECREE. THUS LAWYERS FROM COAP AND MINISTRY ARE ATTEMPTING TO DRAFT NEW LANGUAGE THAT WILL AUTHORIZE A SPECIFIC GULF ACTIVITY WHICH ALSO CLEARLY BENEFITS PERU AND, AT THE SAME TIME, WILL INCLUDE A PHRASE THAT COUNTERACTS EFFECT OF PROHIBITION.

2. LATEST VERSION MINISTRY'S DRAFT (DEVELOPED WITH FERRERO'S  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LIMA 06146 130313Z

ASSISTANCE) WOULD AUTHORIZE GULF TO NEGOTIATE WITH PETROPERU FOR PURCHASE OF PERUVIAN RESIDUAL FUEL AND, IN ADDITIONAL SENTENCE, WOULD "ANNUL ANY EXISTING MEASURES OPPOSED TO THIS DECREE LAW." FERRERO INTERPRETS THIS LANGUAGE TO MEAN THAT ALL GULF OPERATIONS WOULD BE PERMITTED AND HE BELIEVES THAT ANY CHALLENGE TO THIS INTERPRETATION CAN BE OVERCOME IN PERUVIAN COURTS. FERRERO HAS PROVIDED GULF LAWYERS IN CORAL GABLES WITH DRAFT LANGUAGE, AND

HE HOPES TO HAVE CLEARANCE FROM GULF BY JULY 14. FERRERO IS  
HOPEFUL THAT ONCE GULF APPROVES DRAFT, IT CAN MOVE FORWARD FOR  
CONSIDERATION BY COUNCIL OF MINISTERS AT JULY 18 SESSION.

DECON 7-11-79. SHLAUDEMAM

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, INVESTMENT LAW, NATIONALIZATION, LEGISLATIVE BILLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978LIMA06146  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780288-0522  
**Format:** TEL  
**From:** LIMA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780770/aaaacgqu.tel  
**Line Count:** 67  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 0c684977-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 LIMA 4992  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2040244  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GULF: DECREE LAW STILL IN DRAFTING STAGE  
**TAGS:** EINV, ENRG, PE, GULF  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/0c684977-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014